



DATE: August 25, 2010

TO: Jon M. Holladay
Acting Chief Financial Officer

THROUGH: John G. Brewer
Associate Chief Financial Officer, Financial Operations

FROM: Charles L. Wallace
Director, Controller Operations Division

SUBJECT: Federal Managers' Financial Integrity Act and Office of Management and Budget
Circular A-123, Appendix A Certification Statement

This memorandum provides the Associate Chief Financial Officer, Financial Operations (ACFO-FO), Controller Operations Division (COD), Accounting Policy and Consolidated Reporting Division (APCRD), and Systems Analysis and Requirements Division (SARD) assertions to support the Secretary's annual assurances for the Federal Managers' Financial Integrity Act (FMFIA), including the assurance statement for Internal Control over ACFO-FO responsibilities relative to Financial Reporting.

Federal Managers' Financial Integrity Act Assertions

1. Management is responsible for developing and maintaining internal control to ensure the effectiveness of operations, reliability of financial reporting, compliance with applicable laws and regulations, and the safeguarding of assets.
2. Internal control encompasses accounting and administrative controls. Such controls include program, operational, and administrative areas, as well as accounting and financial management.
3. Management has conducted its annual evaluations of internal control and financial systems pursuant to Section 2 and Section 4 of FMFIA, respectively, for the period ended September 30, 2010.
4. Based on the results of the evaluations, COD, APCRD, and SARD can provide reasonable assurance that internal controls are operating effectively.
5. No material weaknesses or significant deficiencies were identified.

Internal Control over Financial Reporting Assertions

6. COD, APCRD, and SARD conducted its assessment of the effectiveness of internal control over financial reporting as of June 30, 2010, in accordance with USDA's Implementation Guide and as required by the Office of Management and Budget Circular A-123, Appendix A.

7. The assessment included an evaluation of entity level controls, risk assessments, process descriptions, flowcharts, documentation of key controls, an assessment of the design of key controls, tests of effectiveness of properly designed controls, summary of any deficiencies, and the development of corrective action plans for any control deficiencies.
8. Management recognizes its responsibility for monitoring and correcting any control deficiencies.
9. Based on the results of the assessment, COD, APCRD, and SARD can provide reasonable assurance that internal controls over financial reporting are operating effectively.
10. No material weaknesses or significant deficiencies were identified.